

# MAGNOLIA TOWNHOMES DEVELOPMENT

Renovate 59 housing units for  
very low, low and moderate  
income households

# Magnolia Townhomes Purpose: Eliminate Slum & Blight

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# Magnolia Townhomes Purpose: Eliminate Slum & Blight

3





# Magnolia Townhomes Purpose: Eliminate Slum & Blight



# Magnolia Townhomes Purpose: Eliminate Slum & Blight

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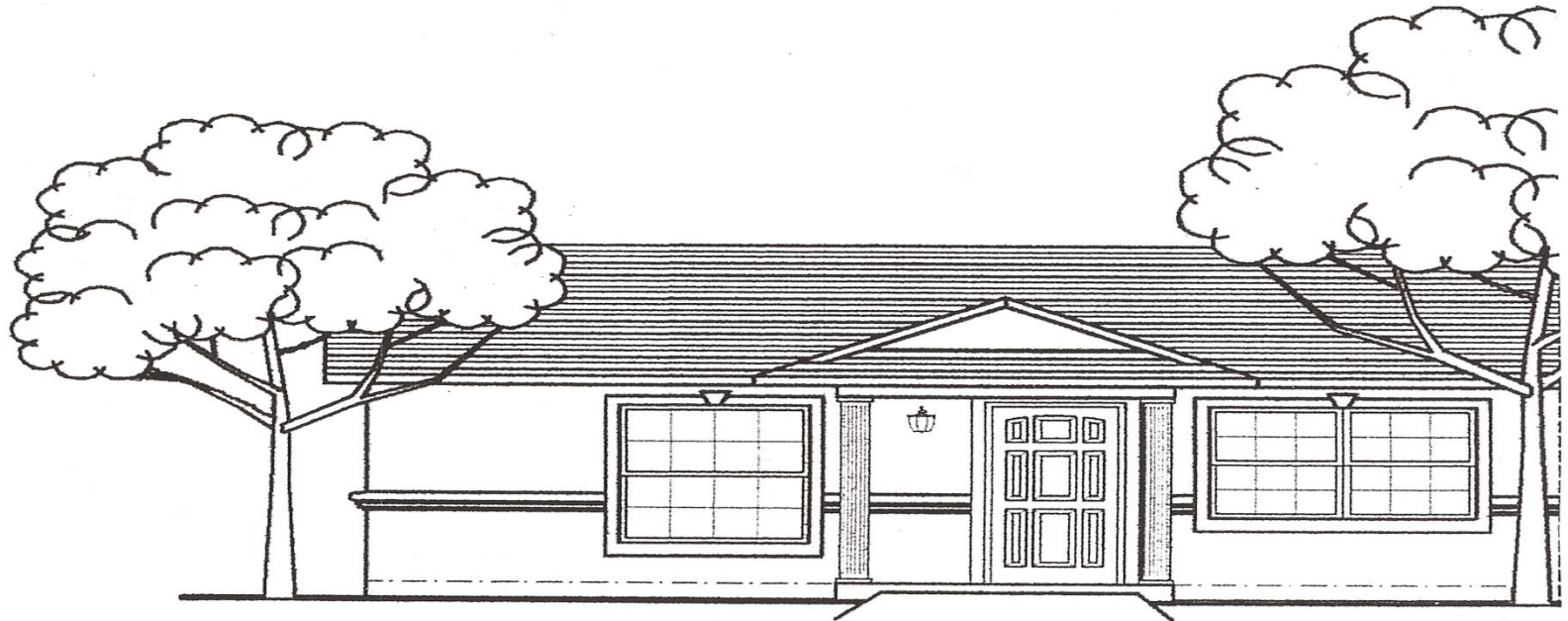




# 1<sup>ST</sup> APPROACH:

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## RENOVATION OF EXISTING UNITS



UNIT "A"

# 1<sup>ST</sup> APPROACH ISSUES

- Replatting
- Set-back problems
- Hard to sell units
- Rehab cost was estimated at same cost of new construction

# DEVELOPMENT SOLUTION

- Senatore Architect (new floor plans, proposed quad-plex)
- Fugleberg Koch Architects (leading design firm)
- Demolition
- Build new 15 new units in a trial 1<sup>st</sup> phase
- Offer affordable housing units



# Request for Proposal (RFP)

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- Nineteen (19) design teams submitted
- Offering a single and multi-family mix will help build and sell project;
- Project can be developed with “starter homes” to larger family units;
- Clustered courtyard townhomes with access to private garages;

# Request for Proposal (RFP)

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- Providing entrance and exit on schoolview and Pruitt Streets only;
- Providing open area for park activities; Clubhouse
- Back to back townhomes with entry courts and community parks;

# Development Cost

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- Avg. Estimated cost to build each unit      \$85,000  
(\$70/sqft; 1,200 sqft average)
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## 15-unit Phase I cost

15 units @ \$85K each	\$1,275,000
Infrastructure	\$ 450,000
Impact fees	<u>\$0</u>
Total =	\$1,725,000

# Funding Available

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□ State Housing Initiative Program (SHIP)	\$427,500
□ Federal Home Loan Bank (FHLBA) (\$500,000 total available)	\$133,928
□ Community Development Block Grant (\$750,000 total available)	\$450,000
□ City working capital (debt proceeds)	<u>\$500,000</u>
Total Revenue	\$1,511,428



# Funding and Cost

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Cost	\$1,725,000
Funding available	<u>\$1,511,428</u>
Capital needed for construction	\$213,572
Sales price per unit	\$112,500
Subsidy value	\$27,500
Mortgage for each new owner	\$85,000
Proceeds from unit sales (\$85K x 15)	\$1,275,000

# Funding and Cost

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Proceeds from sales (\$85K x 15)	\$1,275,000
City's Capital Contribution	- <u>\$713,572</u>
Available to repay land costs:	<u>\$561,428</u>

# Grant Funding & Project Timeframes

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- SHIP Two (2) years to allocate funds
- FHLBA Two (2) years to allocate
- CDBG Two years to complete project

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Notice to proceed	July 2010
Infrastructure start date (earth work, site utilities etc.)	Oct. 2010
Home Construction (slabs)	Feb. 2011

# Project Timeframes (con't)

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Rough Framing	April 2011
Inspections	May 2011
Exterior Finishes	Sept. 2011
Unit ready for move-in	Dec. 2011



# Where Do We Go From Here?

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## **Discussion**